WISCONSIN

DEPARTMENT OF WORKFORCE DEVELOPMENT
Division of Economic Support
Bureau of Work Support Programs

TO: **Economic Support Supervisors**
        Economic Support Lead Workers
        Training Staff
        Child Care Coordinators
        W-2 Agencies

FROM: Stephen M. Dow
        Policy Analysis & Program Implementation Unit
        Work Programs Section

<table>
<tr><td colspan="2">BWSP OPERATIONS MEMO</td></tr>
<tr><td>No.:</td><td>01-12</td></tr>
<tr><td>File:</td><td>1115
1250.2</td></tr>
<tr><td>Date:</td><td>03/20/2001</td></tr>
<tr><td colspan="2">_____</td></tr>
<tr><td colspan="2">Non W-2 [X]   W-2 [X]   CC [X]</td></tr>
<tr><td colspan="2">PRIORITY: High</td></tr>
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SUBJECT: **1. APPLICATIONS RUNNING FOR 3 MONTHS**
           2. REMOVAL OF CARES REASON CODE 142 FOR W-2, CHILD
           CARE, & MEDICAID

EFFECTIVE DATE: February 26, 2001

PURPOSE

This memo provides information about the removal of CARES reason code 142, which states *"Application is denied. You may reapply"* for the Wisconsin Works (W-2), Child Care (CC), and Medicaid (MA) programs at intake. It explains the basis in policy and automation for this change.

> **NOTE:**   The policy and CARES changes described in this memo **do not apply** to the **Food Stamp (FS) Program**.

BACKGROUND

When applications are processed between the first of a month and adverse action in that month, the application runs for the month of application and the following month.

> Example: An application taken on March 7th will run for March and April (as well as any MA backdate months requested).

In the event that both intake months fail, appropriate reason codes are generated for the failures for each of those 2 months (for example 014 - "income exceeds the net income limit", or 054 - "declined this type of aid").

When an application is processed between adverse action and the end of a month, that application has been considered valid by policy for 2 months, however CARES will run for 3 months. This includes the month in which the application date occurs, the month following, and the next month.

> **Example**: An application processed on March 20th will run for March, April, and May (as well as any backdate months requested).

In the event that the first 2 intake months were denied, CARES would fail the third month "automatically" and applied the 142 code, ("Application is denied. You may reapply"). This was to ensure that the application was valid for the first two months only, since the policy for all programs has been that in this situation the client must reapply if the first two months are denied.

POLICY CHANGE

Beginning 2/26/01, for MA, W-2, and CC, if an application is processed on a date between adverse action and the end of the month (when CARES will run for 3 months) and an AG is denied for the first 2 months, that AG will open for the third month if there are changes for that month that allow for the AG to open (e.g. less income).

> **NOTE:**   If a FS AG is denied for the first 2 months, the client must still reapply, and should not open in the third month on the original application.

At the time of application, workers should gather, document, and verify information for the intake months as they have in the past. If there are non-financial or financial changes anticipated in any of the application months, whether running for 2 or 3 months, the best information available should be entered for each of the months. When the intake is running for 3 months, this can include asking for anticipated information for month 3, and entering it accordingly so that eligibility for month 3 is determined correctly.

It is important to remember that there are times when the worker may begin processing a case prior to adverse action, and the case will run for 2 months. Then later, after receiving requested verification, for example, the worker runs the case when it is after adverse action, and the case runs for 3 months. In these situations, the worker will want to make sure that the information for month 3 is correct, as there is now a possibility that the CC, W-2, MA, and BadgerCare (BC) assistance groups (AGs) could open for that month (see example #3).

CARES CHANGES

Effective 2/26/01, CARES has been modified to allow CC, W-2, MA and BC AGs that have failed for the first 2 months of an application processed between adverse action and the end of the month to pass for the third month if there is eligibility.

These modifications consist of the removal of the 142 code "Application is denied. You may reapply" for all AGs except for FS.
The removal of the 142 code means that:

1. If an application is running for 3 months and a non-FS AG fails the first two months and can open in the third month, it will no longer be denied with reason code 142 (see example #1).

2. If an application is running for 3 months and a non-FS AG fails for all three months, that the correct denial reason will carry through to the third month, rather than being denied with the 142 reason code (see example #2).

    NOTE: In conjunction with the Client Notice Redesign Phase 1 project (which was also effective 2/26/01), there is both short text (viewable on-line by the worker on CURS) and long text (expanded text which provides more detailed information on the client notice) for reason code 142 when it is used for FS AG denials. For more reason code change information, refer to Operations Memo 01-05. For more information on screens CURS and CURD, refer to Operations Memo 01-06.

IMPACT ON "LOOPING" IN MA

We have determined the logic surrounding the use of the 142 failure reason code has been causing MA and BC cases to loop in some scenarios when there is a backdate involved. Removal of the 142 code in MA and BC AGs will stop the looping that has been occurring in these situations.

If you have been working around this situation by processing backdate months separately from current and future months, you may resume processing all months together using the backdate request on ACPA.

EXAMPLE 1 - PROCESSING 3 MONTHS - INCOME DECREASE IN MONTH 3

Adult parent and her baby apply for MA, FS, W-2, and CC on 1/29. The parent earns $2500 per month at the time of application, but her income will drop to $1000 per month in March. This means that she will be over the income limit for January and February for FS, W-2, BC, and CC. A Healthy Start deductible will be calculated for the baby.

OLD LOGIC

Under the old logic, the programs being denied would fail January and February financially (as seen on EESI), and then March would fail non-financially (as seen on EESI) for reason code 142 (as seen on AGEC). No AG (aside from the deductible) could open based on this application - March would not open, even though the income had gone down.

NEW LOGIC

As of 2/26/01, W-2, CC, and MA/BC AGs can open for March, even if denied for January and February. FS cannot open for March - the client must reapply when her income goes down.

```
EESI                     ELIGIBILITY SUMMARY                01/29/01 14:30
 CASE: 4000372149                         WORKER: XCT302    XCT302 M OTTER
 DETERMINATION DATE: 01 29 01      CASE STATUS: PENDING CASE MODE: INTAKE

                PAYMENT        PAYMENT      NON FIN     ASSET      INCOME    BENEFIT
 CAT   SEQ FFU  BEGIN DATE     END DATE     S RESULT    S RESULT   RESULT    AMOUNT

 BC    01   N   03 01 01                    _   PASS    _          PASS
 BC    01   N   02 01 01       02 28 01     _   PASS    _          FAIL
 BC    01   N   01 01 01       01 31 01     _   PASS    _          FAIL
 CC    01   N   03 01 01                    _   PASS               PASS
 CC    01   N   02 01 01       02 28 01     _   PASS               FAIL
 CC    01   N   01 01 01       01 31 01     _   PASS               FAIL
 FS    01   N   03 01 01                    _   FAIL    _   FAIL   FAIL
 FS    01   N   02 01 01       02 28 01     _   PASS    _   PASS   FAIL      .00
 FS    01   N   01 29 01       01 31 01     _   PASS    _   PASS   FAIL      .00
```

Under new logic, BC and CC AGs pass for March even though January and February were denied for excess income. The same is true for the W-2 AG.

For FS: Because January and February were denied financially, March is denied non-financially (this is not a change to current logic).

```
AGEC           ELIGIBILITY RESULTS CONFIRMATION          01/29/01 14:31
 CASE: 4000372149                        WORKER: XCT302    XCT302 M OTTER
 LAST UPDATED: 01 29 01           CASE STATUS: PENDING CASE MODE: INTAKE

 ELIGIBILITY REVIEW DATE:

           PMT BEG   PMT END    BENEFIT    AG      ELIG      REASON      MR    CONFIRM
 CAT   SEQ DATE      DATE       AMOUNT     STATUS  STATUS    CODES       RSN   (Y/N)

 BC    01  03 01 01                0.00    OP      PASS                  __    N
 BC    01  02 01 01  02 28 01      0.00    DE      FAIL      014         __    N
 BC    01  01 01 01  01 31 01      0.00    DE      FAIL      014         __    N
 CC    01  03 01 01                0.00    OP      PASS                  __    N
 CC    01  02 01 01  02 28 01      0.00    DE      FAIL      016         __    N
 CC    01  01 01 01  01 31 01      0.00    DE      FAIL      016         __    N
 FS    01  03 01 01                0.00    DE      FAIL      142         __    N
 FS    01  02 01 01  02 28 01      0.00    DE      FAIL      014 016     __    N
 FS    01  01 29 01  01 31 01      0.00    DE      FAIL      014 016     __    N
 MHSC  01  03 01 01                0.00    OP      PASS                  __    N




 NEXT TRAN: ____     PARMS: 4000372149_____ MORE...
```

Under new logic, BC & CC are denied in January and February, but pass for March. FS is denied for January and February for excess income, and then for 142 in March.

```
AGEC            ELIGIBILITY RESULTS CONFIRMATION           01/29/01 14:31
 CASE: 4000372149                        WORKER: XCT302   XCT302 M OTTER
 LAST UPDATED: 01 29 01          CASE STATUS: PENDING CASE MODE: INTAKE

 ELIGIBILITY REVIEW DATE:

         PMT BEG  PMT END   BENEFIT   AG     ELIG      REASON    MR   CONFIRM
 CAT  SEQ  DATE     DATE    AMOUNT   STATUS  STATUS    CODES     RSN   (Y/N)

 NHSC 01 03 01 01                      0.00  DE    FAIL    350          __      N
 NHSC 01 02 01 01  02 28 01            0.00  MD    PASS    014          __      N
 NHSC 01 01 01 01  01 31 01            0.00  MD    PASS    014          __      N
 WW C 01 03 01 01                    673.00  OP    PASS                 __      N
 WW C 01 02 01 01  02 28 01            0.00  DE    FAIL    016          __      N
 WW C 01 01 29 01  01 31 01            0.00  DE    FAIL    016          __      N




 NEXT TRAN: ____     PARMS: 4000372149_____
```

> W-2 passes for March after denial for January and February.
>
> Due to the higher income in January and February, an NHSC deductible is created, and then when the income lowers, MHSC opens.

EXAMPLE 2 - PROCESSING 3 MONTHS - FAILS ALL 3 MONTHS

Adult parent and her baby apply for MA, FS, W-2, and CC on 1/29. The parent earns $2500 per month at the time of application, and will continue to do so. This means that she will be over the income limit for all 3 months for FS, W-2, BC, and CC. A Healthy Start deductible will be calculated for the baby.

OLD LOGIC

Under the old logic, the programs being denied would fail January and February financially (as seen on EESI), and then March would fail non-financially (as seen on EESI) for reason code 142 (as seen on AGEC).

NEW LOGIC

Under the new logic, the FS determination is the same as described under the old logic. That is, the FS AG will fail January and February financially, and then March will fail non-financially for reason code 142.

The Healthy Start deductible will also still be created as already described. However, W-2, BC, and CC will be denied financially (reason codes 014 and 016) for January and February, and for March as well. The 142 closure reason will no longer appear for these programs in the third month.

```
EESI                      ELIGIBILITY SUMMARY                01/29/01 13:48
 CASE: 4000372149                            WORKER: XCT302   XCT302 M OTTER
 DETERMINATION DATE: 01 29 01        CASE STATUS: PENDING CASE MODE: INTAKE

               PAYMENT      PAYMENT     NON FIN   ASSET     INCOME   BENEFIT
 CAT   SEQ FFU BEGIN DATE   END DATE    S RESULT  S RESULT  RESULT   AMOUNT

 BC    01  N  03 01 01                  _  PASS   _         FAIL
 BC    01  N  02 01 01   02 28 01       _  PASS   _         FAIL
 BC    01  N  01 01 01   01 31 01       _  PASS   _         FAIL
 CC    01  N  03 01 01                  _  PASS             FAIL
 CC    01  N  02 01 01   02 28 01       _  PASS             FAIL
 CC    01  N  01 01 01   01 31 01       _  PASS             FAIL
 FS    01  N  03 01 01                  _  FAIL   _  FAIL   FAIL
 FS    01  N  02 01 01   02 28 01       _  PASS   _  PASS   FAIL       .00
 FS    01  N  01 29 01   01 31 01       _  PASS   _  PASS   FAIL       .00



 NEXT TRAN: ____    PARMS: 4000372149_____ MORE...
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> Under the new logic, BC and CC fail financially for all 3 months. The same is true for W-2.

> FS fails month 3 non-financially since they must reapply (no change to logic).

```
AGEC          ELIGIBILITY RESULTS CONFIRMATION          01/29/01 13:49
 CASE: 4000372149                            WORKER: XCT302   XCT302 M OTTER
 LAST UPDATED: 01 29 01              CASE STATUS: PENDING CASE MODE: INTAKE

 ELIGIBILITY REVIEW DATE:

          PMT BEG   PMT END   BENEFIT   AG      ELIG     REASON    MR    CONFIRM
 CAT  SEQ DATE      DATE      AMOUNT    STATUS  STATUS   CODES     RSN   (Y/N)

 BC   01 03 01 01                0.00  DE      FAIL     014       __      N
 BC   01 02 01 01   02 28 01     0.00  DE      FAIL     014       __      N
 BC   01 01 01 01   01 31 01     0.00  DE      FAIL     014       __      N
 CC   01 03 01 01                0.00  DE      FAIL     016       __      N
 CC   01 02 01 01   02 28 01     0.00  DE      FAIL     016       __      N
 CC   01 01 01 01   01 31 01     0.00  DE      FAIL     016       __      N
 FS   01 03 01 01                0.00  DE      FAIL     142       __      N
 FS   01 02 01 01   02 28 01     0.00  DE      FAIL     014 016   __      N
 FS   01 01 29 01   01 31 01     0.00  DE      FAIL     014 016   __      N



 NEXT TRAN: ____    PARMS: 4000372149_____ MORE...
```

> For W-2, CC, and BC AGs, the 014 and 016 closure reasons carry through to the March determination - there is no longer reason 142. For FS, the 014 and 016 exist for January and February, then the 142 appears for March.

```
AGEC          ELIGIBILITY RESULTS CONFIRMATION          01/29/01 13:49
 CASE: 4000372149                            WORKER: XCT302   XCT302 M OTTER
 LAST UPDATED: 01 29 01              CASE STATUS: PENDING CASE MODE: INTAKE

 ELIGIBILITY REVIEW DATE:

          PMT BEG   PMT END   BENEFIT   AG      ELIG     REASON    MR    CONFIRM
 CAT  SEQ DATE      DATE      AMOUNT    STATUS  STATUS   CODES     RSN   (Y/N)

 NHSC 01 03 01 01                0.00  MD      PASS     014       __      N
 NHSC 01 02 01 01   02 28 01     0.00  MD      PASS     014       __      N
 NHSC 01 01 01 01   01 31 01     0.00  MD      PASS     014       __      N
 WW C 01 03 01 01                0.00  DE      FAIL     016       __      N
 WW C 01 02 01 01   02 28 01     0.00  DE      FAIL     016       __      N
 WW C 01 01 29 01   01 31 01     0.00  DE      FAIL     016       __      N



 NEXT TRAN: ____    PARMS: 4000372149_____
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EXAMPLE 3 - BEGIN PROCESSING BEFORE ADVERSE ACTION, FINISH AFTER ADVERSE ACTION

Adult parent and her baby apply for MA, FS, W-2, and CC on 3/2. The parent says she earns $2500 per month at the time of application. The worker processes the intake on 3/2, and the case runs for March and April. The worker enters the income amount and a "?" on AFEI. BC, CC, FS, and WW C fail for excess income (014, 016). Because of the possibility for a Healthy Start deductible, the NHSC AG pends.

```
AGEC                    ELIGIBILITY RESULTS CONFIRMATION            03/02/01 13:59
 CASE: 4000372149                                   WORKER: XCT302   XCT302 M OTTER
 LAST UPDATED: 03 02 01                     CASE STATUS: PENDING CASE MODE: INTAKE

  ELIGIBILITY REVIEW DATE:

            PMT BEG   PMT END   BENEFIT    AG      ELIG      REASON     MR    CONFIRM
  CAT   SEQ  DATE      DATE     AMOUNT    STATUS   STATUS    CODES      RSN    (Y/N)

  BC    01  04 01 01                0.00   DE      FAIL     014         __       N
  BC    01  03 01 01  03 31 01      0.00   DE      FAIL     014         __       N
  CC    01  04 01 01                0.00   DE      FAIL     016         __       N
  CC    01  03 01 01  03 31 01      0.00   DE      FAIL     016         __       N
  FS    01  04 01 01                0.00   DE      FAIL     014 016     __       N
  FS    01  03 02 01  03 31 01      0.00   DE      FAIL     014 016     __       N
  NHSC  01  04 01 01                0.00   PE      PEND                 __       N
  NHSC  01  03 01 01  03 31 01      0.00   PE      PEND                 __       N
  WW C  01  04 01 01                0.00   DE      FAIL     016         __       N
  WW C  01  03 02 01  03 31 01      0.00   DE      FAIL     016         __       N


  NEXT TRAN: ____      PARMS: 4000372149_____
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On 3/18 (after adverse action), after having received the verification, the worker runs the case again. Since it is after adverse action, the case runs for March, April, and May. Based on the verified income, all programs are denied except for the NHSC deductible. If no changes in income or other circumstances are anticipated, the worker should confirm these results for all 3 months. However, now that the case is running for 3 months, if the worker has not already done so, s/he may want to check with the client regarding the possibility of any future changes.

```
AGEC                    ELIGIBILITY RESULTS CONFIRMATION            03/18/01 14:05
 CASE: 4000372149                                   WORKER: XCT302   XCT302 M OTTER
 LAST UPDATED: 03 18 01                     CASE STATUS: PENDING CASE MODE: INTAKE

  ELIGIBILITY REVIEW DATE:

            PMT BEG   PMT END   BENEFIT    AG      ELIG      REASON     MR    CONFIRM
  CAT   SEQ  DATE      DATE     AMOUNT    STATUS   STATUS    CODES      RSN    (Y/N)

  BC    01  05 01 01                0.00   DE      FAIL     014         __       N
  BC    01  04 01 01  04 30 01      0.00   DE      FAIL     014         __       N
  BC    01  03 01 01  03 31 01      0.00   DE      FAIL     014         __       N
  CC    01  05 01 01                0.00   DE      FAIL     016         __       N
  CC    01  04 01 01  04 30 01      0.00   DE      FAIL     016         __       N
  CC    01  03 01 01  03 31 01      0.00   DE      FAIL     016         __       N
  FS    01  05 01 01                0.00   DE      FAIL     142         __       N
  FS    01  04 01 01  04 30 01      0.00   DE      FAIL     014 016     __       N
  FS    01  03 02 01  03 31 01      0.00   DE      FAIL     014 016     __       N

  NEXT TRAN: ____      PARMS: 4000372149_____ MORE...
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```
AGEC                    ELIGIBILITY RESULTS CONFIRMATION            03/18/01 14:05
 CASE: 4000372149                                   WORKER: XCT302   XCT302 M OTTER
 LAST UPDATED: 03 18 01                     CASE STATUS: PENDING CASE MODE: INTAKE
```

```
 ELIGIBILITY REVIEW DATE:

            PMT BEG   PMT END   BENEFIT    AG      ELIG      REASON     MR     CONFIRM
   CAT  SEQ  DATE      DATE     AMOUNT    STATUS   STATUS     CODES      RSN    (Y/N)

   NHSC  01  05 01 01                       0.00   MD      PASS      014        __        N
   NHSC  01  04 01 01  04 30 01             0.00   MD      PASS      014        __        N
   NHSC  01  03 01 01  03 31 01             0.00   MD      PASS      014        __        N
   WW C  01  05 01 01                       0.00   DE      FAIL      016        __        N
   WW C  01  04 01 01  04 30 01             0.00   DE      FAIL      016        __        N
   WW C  01  03 02 01  03 31 01             0.00   DE      FAIL      016        __        N


   NEXT TRAN: ____     PARMS: 4000372149_____
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In this example, when the worker contacts the client, the client states that she will only be earning $500 per month in May. The worker needs to verify this statement as appropriate, and enter it into CARES.

When this is done, there is still potential eligibility for the NHSC deductible in March and April. In May, based on the lower income amount, there is now eligibility for CC, MA R (unless they were to meet the deductible sooner), and W-2. FS remains closed for May for reason 142, as the policy states they must reapply after having been denied for the first two months.

```
AGEC                    ELIGIBILITY RESULTS CONFIRMATION              03/18/01 14:16
 CASE: 4000372149                                WORKER: XCT302    XCT302 M OTTER
 LAST UPDATED: 03 18 01                   CASE STATUS: PENDING CASE MODE: INTAKE

  ELIGIBILITY REVIEW DATE:

            PMT BEG   PMT END   BENEFIT    AG      ELIG      REASON     MR     CONFIRM
   CAT  SEQ  DATE      DATE     AMOUNT    STATUS   STATUS     CODES      RSN    (Y/N)

   BC    01  05 01 01                       0.00   DE      FAIL      350        __        N
   BC    01  04 01 01  04 30 01             0.00   DE      FAIL      014        __        N
   BC    01  03 01 01  03 31 01             0.00   DE      FAIL      014        __        N
   CC    01  05 01 01                       0.00   OP      PASS                 __        N
   CC    01  04 01 01  04 30 01             0.00   DE      FAIL      016        __        N
   CC    01  03 01 01  03 31 01             0.00   DE      FAIL      016        __        N
   FS    01  05 01 01                       0.00   DE      FAIL      142        __        N
   FS    01  04 01 01  04 30 01             0.00   DE      FAIL      014 016    __        N
   FS    01  03 02 01  03 31 01             0.00   DE      FAIL      014 016    __        N
   MA R  01  05 01 01                       0.00   OP      PASS                 __        N


   NEXT TRAN: ____     PARMS: 4000372149_____ MORE...
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```
AGEC                 ELIGIBILITY RESULTS CONFIRMATION              03/18/01 14:17
 CASE: 4000372149                             WORKER: XCT302    XCT302 M OTTER
 LAST UPDATED: 03 18 01                       CASE STATUS: PENDING CASE MODE: INTAKE

 ELIGIBILITY REVIEW DATE:

            PMT BEG  PMT END    BENEFIT    AG       ELIG       REASON     MR    CONFIRM
   CAT  SEQ DATE     DATE       AMOUNT   STATUS    STATUS      CODES      RSN    (Y/N)

   NHSC 01  05 01 01                      0.00  DE     FAIL     350        __       N
   NHSC 01  04 01 01  04 30 01            0.00  MD     PASS     014        __       N
   NHSC 01  03 01 01  03 31 01            0.00  MD     PASS     014        __       N
   WW C 01  05 01 01                    673.00  OP     PASS                __       N
   WW C 01  04 01 01  04 30 01            0.00  DE     FAIL     016        __       N
   WW C 01  03 02 01  03 31 01            0.00  DE     FAIL     016        __       N




 NEXT TRAN: _____     PARMS: 4000372149_____
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CONTACT

DES CARES Information & Problem Resolution Center

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Fax: (608) 266-8358

Note: Email contacts are preferred. Thank you.